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Subject: U.S. Trademark Application Serial No. 90002396 - FLEXA CAPACITY - TA394US - EXAMINER BRIEF

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United States Patent and Trademark Office (USPTO)

U.S. Application Serial No. 90002396

Mark: FLEXA CAPACITY

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Reference/Docket No. TA394US

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EXAMINING ATTORNEY'S APPEAL BRIEF

Applicant, Flexa Network, Inc. ("Applicant"), has appealed the final refusal to register the proposed mark "FLEXA CAPACITY" in standard characters, for "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services" in International Class 36.

Registration was refused pursuant to Trademark Act Section 2(d), 15 U.S.C. §1052(d), on the ground that the applied-for mark is likely to be confused with the following registered mark:

- "CAPACITY" (Reg. No. 4805599) in standard characters, for "Exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial transactions via a global network involving credit derivatives, energy derivatives, foreign exchange derivatives, credit default swaps, structured financial products, bonds, commodities, commodity derivatives, futures, options, securities, shares, stocks, and/or related financial instruments; debt settlement services for trade and financial transactions involving credit derivatives, energy derivatives and/or foreign exchange derivatives; financial evaluation, tracking, analysis and forecasting services in real-time relating to securities and other financial instruments; providing a database in the field of financial analysis for generating reports on information and statistics relating to the execution, clearing and settlement of trade and financial transactions; clearing and reconciling financial transactions and debt settlement; providing financial information in the field of trade transaction execution data, namely, transaction prices, inter-commodity spread pricing, and best-bid/best-offer price discovery; providing financial information relating to financial transactions, including commodity data, providing financial market data, market views, financial data, product volume, weight, and pricing, settlement details, order quantities, delivery dates, transaction life-cycle status, contract symbols, and/or transaction summaries; credit-risk management services; providing any or all of the aforesaid services on-line via a website that is accessible by users via a computer terminal and/or a mobile communication device; credit card payment processing services; electronic payment, namely, electronic processing and transmission of bill payment data" in International Class 36.

It is respectfully requested that this refusal be affirmed.

I. STATEMENT OF FACTS

On June 15, 2020, Applicant filed a Section 1(b) application for "FLEXA CAPACITY" in standard characters, for "downloadable computer software for managing, validating, and collateralizing cryptocurrency transactions using blockchain-based smart contracts" in International Class 9, "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services" in International Class 36, and "providing temporary use of non-downloadable web- based decentralized applications (DApps) for cryptocurrency trading and cryptocurrency collateralization; Providing user authentication services using blockchain-based software technology for collateralized cryptocurrency transactions" in International Class 42.

On September 17, 2020, the Examining Attorney refused registration pursuant to Trademark Act Section 2(d) on the ground that the applied-for mark was confusingly similar to the mark in Registration No. 4805599 for "CAPACITY."

On March 17, 2021, Applicant submitted arguments in response to the Section 2(d) refusal.

On April 2, 2021, the Examining Attorney issued a partial final refusal under Section 2(d) with respect to Registration No. 4805599 for "CAPACITY" as to International Class 36.

On October 4, 2021, Applicant filed a Request to Divide, a Request for Reconsideration after Final Action, and a Notice of Appeal with the Trademark Trial and Appeal Board ("Board").

In view of the filing of the Request for Reconsideration, the appeal was instituted, action on the appeal was suspended, and the application was remanded to the Examining Attorney to consider the Request for Reconsideration.

On November 2, 2021, Applicant's Request to Divide was granted. On November 9, 2021, the Examining Attorney denied Applicant's Request for Reconsideration as to U.S. Registration No. 4805599 for "CAPACITY" as to International Class 36, and the proceedings in the appeal resumed. These appeal proceedings only involve International Class 36 in the parent application.

II. OBJECTION TO NEW EVIDENCE

Initially, it is noted that Applicant seeks to enter new evidence to overcome the refusal to register. The Trademark Examining Attorney objects to Applicant's inclusion of any additional evidence with the appeal brief for the following reasons. In pertinent part, 37 C.F.R. Section 2.142(d) clearly states:

> The record in the application should be complete prior to the filing of an appeal. The Trademark Trial and Appeal Board will ordinarily not consider additional evidence filed with the Board by the appellant or by the examiner after the appeal is filed. After an appeal is filed, if the appellant

> or the examiner desires to introduce additional evidence, the appellant or the examiner may request the Board to suspend the appeal and to remand the application for further examination.

Applicant has referenced new evidence in the footnotes of its appeal brief that was not previously made of record specifically, Footnote 1 (Flexa Network Whitepaper) January 10, 2022, Applicant's Brief, TSDR p. 6, Footnote 5 (Reg. Nos. 6025150 for "FLEXA" and 5922714 for "FLEXACOIN") *Id.* at p. 13, Footnote 6 (AMP Whitepaper), 7 TTABVUE 18, and Footnote 7 (Flexa Network Whitepaper) *Id.* at p. 18.

For these reasons the evidence cited in Applicant's appeal brief should not be considered by the Board in the course of this appeal.

III. APPLICANT'S REQUEST FOR REMAND MADE IN THE ALTERNATIVE SHOULD BE DENIED

In its brief, Applicant requests that the Board reverse the Trademark Act Section 2(d) refusal or in the alternative, remand the application to amend its identification of services to "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network[;] and collateralized cryptocurrency exchange services **in the nature of enabling the immediate settlement of payment transactions.**" *See* January 10, 2022, Applicant's Brief, TSDR pp. 18-19. The Board has not granted this request.

It is respectfully requested that the Board deny Applicant's request for remand as Applicant's request is untimely and Applicant has not shown good cause for the remand. TBMP §1209.04. "In determining whether good cause has been shown, the Board will consider both the reason given and the point in the appeal at which the request for remand is made." *Id.*

First, Applicant's request is untimely. Pursuant to TBMP §1204, "a request for remand should not be combined with the applicant's appeal brief." In the present case, Applicant's request for remand is included in its brief. Thus, the request is untimely.

Second, Applicant has not shown good cause for a remand. Applicant had an opportunity to amend its identification of services in its Request for Reconsideration but did not do so. *See* October 4, 2021, Request for Reconsideration After Final Action, TSDR p. 1. Therefore, Applicant's request for remand is without good cause.

Finally, as discussed below, the evidence of record demonstrates that the services are closely related in terms of nature, use, channel of trade and class of purchasers. Specifically, the evidence shows that the same entity commonly provides cryptocurrency exchange services, cryptocurrency payment processing, electronic processing and transmission of bill payment data, and financial information services. Therefore, Applicant's amendment would not obviate any likelihood of confusion.

For the foregoing reasons, it is respectfully requested that the Board deny Applicant's request for remand.

IV. ARGUMENT

THE PROPOSED MARK "FLEXA CAPACITY" IS LIKELY TO CAUSE CONFUSION WITH THE REGISTERED MARK "CAPACITY"

Applicant has applied to register "FLEXA CAPACITY" in standard characters, for use with "Providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services" in International Class 36.

Trademark Act Section 2(d) bars registration of an applied-for mark that so resembles a registered mark that it is likely a consumer would be confused, mistaken, or deceived as to the source of the goods and services of the applicant and registrant. *See* 15 U.S.C. §1052(d). Determining likelihood of confusion is made on a case-by-case basis by applying the factors set forth in *In re E. I. du Pont de*

Nemours & Co., 476 F.2d 1357, 1361, 177 USPQ 563, 567 (C.C.P.A. 1973). *In re i.am.symbolic, llc*, 866 F.3d 1315, 1322, 123 USPQ2d 1744, 1747 (Fed. Cir. 2017).

The USPTO may focus its analysis "on dispositive factors, such as similarity of the marks and relatedness of the goods [and/or services]." *In re i.am.symbolic, llc*, 866 F.3d at 1322, 123 USPQ2d at 1747; *see* TMEP §1207.01. In this case, the marks are similar in terms of appearance and commercial impression and the services are related in terms of nature, use, channels of trade, and classes of purchasers.

A. The applied-for mark is confusingly similar to the registered mark.

The applied-for mark, "FLEXA CAPACITY" in standard characters, is similar to the registered mark, "CAPACITY" in standard characters, because the registered mark is entirely incorporated within the applied-for mark and the marks, as wholes, convey similar overall commercial impressions.

The registered mark, "CAPACITY", is entirely incorporated within the applied-for mark. Incorporating the entirety of one mark within another does not obviate the similarity between the compared marks, as in the present case, nor does it overcome a likelihood of confusion under Section 2(d). *See In re Toshiba Med. Sys. Corp.*, 91 USPQ2d 1266, 1269 (TTAB 2009) (finding TITAN and VANTAGE TITAN confusingly similar); TMEP §1207.01(b)(iii). In the present case, the marks are identical in part.

The applied-for mark has merely added the word "FLEXA" to the registered mark. Accordingly, Registrant's mark is likely to appear to prospective purchasers as a shortened form of Applicant's mark. *See In re Mighty Leaf Tea*, 601 F.3d 1342, 1348, 94 USPQ2d 1257, 1260 (Fed. Cir. 2010) (quoting *United States Shoe Corp.*, 229 USPQ 707, 709 (TTAB 1985)). In this case, Registrant's mark does not create a distinct commercial impression from the applied-for mark because it contains some of the wording in the applied-for mark and does not add any wording that would distinguish it from that mark.

Applicant argues that the dominant portion of the applied-for mark is "FLEXA" because it is the first word in the mark and is distinctive. *See* January 10, 2022, Applicant's Brief, TSDR pp. 12-13.[1] However, Applicant does not explain what "FLEXA" means, what commercial impression it creates, or how the commercial impression of "FLEXA CAPACITY" differs from the one created by the registered mark, "CAPACITY." In fact, Applicant asserts that "Applicant's coined mark, FLEXA CAPACITY . . . has no definite meaning." *Id.* at 14. Applicant states that the term "FLEXA" modifies the term "CAPACITY" but does not explain what commercial impression the mark "FLEXA CAPACITY" creates. *See* January 10, 2022, Applicant's Brief, TSDR p. 14.

The overall commercial impression of the applied-for mark relates to capacity, defined as "the ability to do, make, or accomplish something; capability," because the term "FLEXA" merely modifies the word "CAPACITY." *See* April 2, 2021, Office action, TSDR p. 2. Therefore, although "FLEXA" is the first word in the applied-for mark, because it has no meaning and merely modifies the word "CAPACITY," the mark as a whole conveys the commercial impression of the ability to do, make, or accomplish something. A trademark examining attorney may weigh the individual components of a mark to determine its overall commercial impression. *In re Detroit Athletic Co.*, 903 F.3d 1297, 1305, 128 USPQ2d 1047, 1050 (Fed. Cir. 2018).

Contrary to Applicant's argument, the additional wording "FLEXA" in the applied-for mark, does not obviate the similarity between the marks. *See* January 10, 2022, Applicant's Brief, TSDR pp. 13-15. Applicant asserts that the "the focus should be on the primary, leading, and distinctive portion of Applicant's mark, FLEXA, which is Applicant's house mark." *See* January 10, 2022, Applicant's Brief, TSDR p. 13. However, the record does not include evidence showing that "FLEXA" is a house mark, i.e., that it

[1] In order to minimize confusion, all citations are to the TSDR page number record regardless of the page numbers that appear on Applicant's brief. *See* TMEP Appendix A.

identifies the provider of a wide variety of goods or services. Moreover, adding a house mark to an otherwise confusingly similar mark will not obviate a likelihood of confusion under Section 2(d). *See In re Fiesta Palms LLC*, 85 USPQ2d 1360, 1366-67 (TTAB 2007) (finding CLUB PALMS MVP and MVP confusingly similar); TMEP §1207.01(b)(iii). It is likely that services sold under these marks would be attributed to the same source. *See In re Chica, Inc.*, 84 USPQ2d 1845, 1848-49 (TTAB 2007).

Moreover, adding a term to a registered mark generally does not obviate the similarity between the compared marks nor does it overcome a likelihood of confusion under Section 2(d). *See, e.g.*, *In re Chatam Int'l Inc.*, 380 F.3d 1340, 71 USPQ2d 1944 (Fed. Cir. 2004); *In re Toshiba Med. Sys. Corp.*, 91 USPQ2d 1266 (TTAB 2009). The only exceptions are when (1) the matter common to the marks is merely descriptive or diluted, and not likely to be perceived by purchasers as distinguishing source, or (2) the compared marks in their entireties convey a significantly different commercial impression – neither of which is the case here. TMEP §1207.01(b)(iii); *see, e.g.*, *Citigroup Inc. v. Capital City Bank Grp., Inc.*, 637 F.3d 1344, 98 USPQ2d 1253 (Fed. Cir. 2011).

In this case, the matter common to the marks is not merely descriptive or diluted. *See* January 10, 2022, Applicant's Brief, TSDR pp. 12-14. First, there is no evidence that the term "CAPACITY" is diluted. Second, there is no evidence that the term "CAPACITY" is merely descriptive of *Applicant's* services. Although, Registrant's mark is on the Supplemental Register, the term "CAPACITY" was not found to be descriptive or required to be disclaimed in this application. Moreover, assuming arguendo that the term "CAPACITY" is weak, the Court of Appeals for the Federal Circuit and the Trademark Trial and Appeal Board have recognized that marks deemed "weak" or merely descriptive are still entitled to protection under Section 2(d) against the registration by a subsequent user of a similar mark for closely related services. TMEP §1207.01(b)(ix); *see King Candy Co. v. Eunice King's Kitchen, Inc.*, 496 F.2d 1400, 1401, 182 USPQ 108, 109 (C.C.P.A. 1974). Thus, this protection under Section 2(d) extends to marks registered

on the Supplemental Register. TMEP §1207.01(b)(ix); *see, e.g.*, *In re Morinaga Nyugyo Kabushiki Kaisha*, 120 USPQ2d 1738, 1743 (TTAB 2016).

In addition, as explained above, the marks "FLEXA CAPACITY" and "CAPACITY" do not convey significantly different commercial impressions. The marks "FLEXA CAPACITY" and "CAPACITY" both convey a general commercial impression of the ability to do, make, or accomplish something. *See* April 2, 2021, Office action, TSDR p. 2.

Finally, Applicant argues that "the marks, FLEXA CAPACITY and CAPACITY [are] entirely dissimilar in appearance, sound, connotation, and commercial impression." *See* January 10, 2022, Applicant's Brief, TSDR p. 15. However, when comparing marks, "[t]he proper test is not a side-by-side comparison of the marks, but instead whether the marks are sufficiently similar in terms of their commercial impression such that [consumers] who encounter the marks would be likely to assume a connection between the parties." *Cai v. Diamond Hong, Inc.*, 901 F.3d 1367, 1373, 127 USPQ2d 1797, 1801 (Fed. Cir. 2018) (quoting *Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1368, 101 USPQ2d 1713, 1721 (Fed. Cir. 2012)); TMEP §1207.01(b). The proper focus is on the recollection of the average purchaser, who retains a general rather than specific impression of trademarks. *In re Inn at St. John's, LLC*, 126 USPQ2d 1742, 1746 (TTAB 2018) (citing *In re St. Helena Hosp.*, 774 F.3d 747, 750-51, 113 USPQ2d 1082, 1085 (Fed. Cir. 2014); TMEP §1207.01(b). As explained above, the marks are identical in part as the registered mark is entirely incorporated within the applied-for mark and the marks each convey a similar general commercial impression of the ability to do, make, or accomplish something. *See* April 2, 2021, Office action, TSDR p. 2.

Based on the foregoing, the marks "FLEXA CAPACITY" in standard characters, is similar to the registered mark "CAPACITY" in standard characters.

B. Applicant's services are related to Registrant's services.

Applicant's services of "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services" are significantly similar to the financial services identified in the cited registration because the services are closely related in terms of their nature, purpose, channel of trade, and class of purchasers. Registrant identifies its services as follows:

- Exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial transactions via a global network involving credit derivatives, energy derivatives, foreign exchange derivatives, credit default swaps, structured financial products, bonds, commodities, commodity derivatives, futures, options, securities, shares, stocks, and/or related financial instruments; debt settlement services for trade and financial transactions involving credit derivatives, energy derivatives and/or foreign exchange derivatives; financial evaluation, tracking, analysis and forecasting services in real-time relating to securities and other financial instruments; providing a database in the field of financial analysis for generating reports on information and statistics relating to the execution, clearing and settlement of trade and financial transactions; clearing and reconciling financial transactions and debt settlement; providing financial information in the field of trade transaction execution data, namely, transaction prices, inter-commodity spread pricing, and best-bid/best-offer price discovery; providing financial information relating to financial transactions, including commodity data, providing financial market data, market views, financial data, product volume, weight, and pricing, settlement details, order quantities, delivery dates, transaction life-cycle status, contract symbols, and/or transaction summaries; credit-risk management services; providing any or all of the aforesaid services on-line via a website that is accessible by users via a computer terminal and/or a mobile communication device; credit card payment processing services; electronic payment, namely, electronic processing and transmission of bill payment data

First, several items in Registrant's identification of services are broad enough to include Applicant's services. Determining likelihood of confusion is based on the description of the services stated in the application and registration at issue, not on extrinsic evidence of actual use. *See In re Detroit Athletic Co.*, 903 F.3d 1297, 1307, 128 USPQ2d 1047, 1052 (Fed. Cir. 2018) (citing *In re i.am.symbolic, llc*, 866 F.3d 1315, 1325, 123 USPQ2d 1744, 1749 (Fed. Cir. 2017)). The registration uses broad wording to describe "electronic payment, namely, electronic processing and transmission of bill payment data" and "exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial

transactions via a global network involving . . . securities . . . and/or related financial instruments," which presumably encompasses all services of the type described, including Applicant's more narrow "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network" and "collateralized cryptocurrency exchange services." *See, e.g.*, *In re Solid State Design Inc.*, 125 USPQ2d 1409, 1412-15 (TTAB 2018); *Sw. Mgmt., Inc. v. Ocinomled, Ltd.*, 115 USPQ2d 1007, 1025 (TTAB 2015). Thus, Applicant's and Registrant's services are legally identical. *See, e.g.*, *In re i.am.symbolic, llc*, 127 USPQ2d 1627, 1629 (TTAB 2018) (citing *Tuxedo Monopoly, Inc. v. Gen. Mills Fun Grp., Inc.*, 648 F.2d 1335, 1336, 209 USPQ 986, 988 (C.C.P.A. 1981)).

Additionally, the services of Registrant have no restrictions as to nature, type, channels of trade, or classes of purchasers and are "presumed to travel in the same channels of trade to the same class of purchasers." *In re Viterra Inc.*, 671 F.3d 1358, 1362, 101 USPQ2d 1905, 1908 (Fed. Cir. 2012) (quoting *Hewlett-Packard Co. v. Packard Press, Inc.*, 281 F.3d 1261, 1268, 62 USPQ2d 1001, 1005 (Fed. Cir. 2002)). Accordingly, Applicant's and Registrant's services are related for purposes of likelihood of confusion.

Second, the evidence of record from *Kraken.com, CoinsPaid.com, Changelly.com, CoinGate.com, B2Broker.com, Nuvei.com, B2BInPay.com, OpenNode.com* and *CoinQVest.com* establishes that the same entity commonly provides the relevant services and markets the services under the same mark and that the relevant services are sold or provided through the same trade channels and used by the same classes of consumers in the same fields of use. *See* September 17, 2020, Office action, TSDR pp. 5-54; November 9, 2021, Request for Reconsideration Denied, TSDR pp. 2-19. Thus, Applicant's and Registrant's services are considered related for likelihood of confusion purposes. *See, e.g.*, *In re Davey Prods. Pty Ltd.*, 92 USPQ2d 1198, 1202-04 (TTAB 2009); *In re Toshiba Med. Sys. Corp.*, 91 USPQ2d 1266, 1268-69, 1271-72 (TTAB 2009).

Specifically, the evidence shows the following:

- Kraken.com – same entity provides cryptocurrency exchange services and financial information relating to financial transactions under the same mark and sells them through the same channels of trade to be used by the same class of consumers in the same field of use. *See* September 17, 2020, Office action, TSDR pp. 5-16.

- CoinsPaid.com – same entity provides electronic processing of cryptocurrency payments and exchange services. *See* September 17, 2020, Office action, TSDR pp. 17-25.

- Changelly.com – same entity provides cryptocurrency exchange services and financial information relating to financial transactions under the same mark and sells them through the same channels of trade to be used by the same class of consumers in the same field of use. *See* September 17, 2020, Office action, TSDR pp. 28-42.

- CoinGate.com – same entity provides electronic processing of cryptocurrency payments and financial information relating to financial transactions under the same mark and sells them through the same channels of trade to be used by the same class of consumers in the same field of use. *See* September 17, 2020, Office action, TSDR pp. 48-54.

- CoinBase.com – same entity provides cryptocurrency exchange services and financial information relating to financial transactions under the same mark through the same channels of trade to be used by the same class of consumers in the same field of use. *See* November 9, 2021, Request for Reconsideration Denied, TSDR pp. 5-7.

- Gemini.com – same entity provides cryptocurrency exchange services and financial information relating to financial transactions under the same mark through the same channels of trade to be used by the same class of consumers in the same field of use. *See* November 9, 2021, Request for Reconsideration Denied, TSDR pp. 8-10.

- B2Broker.com - same entity provides electronic processing of cryptocurrency payments, crypto currency exchange services, and financial information relating to financial transactions. *See* November 9, 2021, Request for Reconsideration Denied, TSDR p. 11.

- Nuvei.com - same entity provides electronic processing of cryptocurrency payments and electronic processing and transmission of bill payment data. *See* November 9, 2021, Request for Reconsideration Denied, TSDR p. 12.

- B2BInPay.com - same entity provides electronic processing of cryptocurrency payments and electronic processing and transmission of bill payment data. *See* November 9, 2021, Request for Reconsideration Denied, TSDR p. 13.

- OpenNode.com – same entity provides electronic processing of cryptocurrency payments, electronic processing and transmission of bill payment data and financial information. *See* November 9, 2021, Request for Reconsideration Denied, TSDR p. 14.

- CoinQVest.com – same entity provides electronic processing of cryptocurrency payments and electronic processing and transmission of bill payment data. *See* November 9, 2021, Request for Reconsideration Denied, TSDR pp. 15 -19.

Thus, Applicant's and Registrant's services are considered related for likelihood of confusion purposes. *See, e.g.*, *In re Davey Prods. Pty Ltd.*, 92 USPQ2d 1198, 1202-04 (TTAB 2009); *In re Toshiba Med. Sys. Corp.*, 91 USPQ2d 1266, 1268-69, 1271-72 (TTAB 2009).

Finally, the evidence of record consisting of a representative number of eight third-party marks registered for use in connection with the same or similar services as those of both Applicant and Registrant shows that the services listed therein are of a kind that may emanate from a single source under a single mark. *In re Albert Trostel & Sons Co.*, 29 USPQ2d 1783, 1785-86 (TTAB 1993); TMEP §1207.01(d)(iii); April 2, 2021, Final Office Action; TSDR pp. 4-27. The record contains numerous examples of entities that provide cryptocurrency exchange services and/or cryptocurrency payment processing and financial information under the same mark, such as:

- Registration No. 6158723 – "financial services, namely, assisting others, via a website or mobile application, with the completion of financial transactions in financial markets; providing a website or mobile application portal featuring financial information, pricing and strategies relating to the option market and financial market that allows the use of crypto and virtual currencies to transact in the financial markets; cryptocurrency deposit services; cryptocurrency lending services; cryptocurrency exchange services; financial brokerage for cryptocurrency trading" in Class 36. April 2, 2021, Final Office action, TSDR pp. 10-12.

- Registration No. 6241282 – "cryptocurrency exchange services; cryptocurrency payment processing; financial information and advisory services; processing electronic payments made through prepaid cards; providing electronic processing of electronic funds transfer; ACH, credit card, debit card, electronic check and electronic payments," in Class 36. April 2, 2021, Final Office action, TSDR pp. 20-22.

- Registration No. 6102138 – "cryptocurrency exchange services; financial information; hedge fund investment services; financial consultation in the field of cryptocurrency; financial services, namely, raising money for the hedge funds of others," in Class 36. April 2, 2021, Final Office action, TSDR pp. 23-25.

- Registration No. 6102138 – "cryptocurrency exchange services; cryptocurrency exchange services featuring blockchain; cryptocurrency payment processing; cryptocurrency trading services; financial brokerage services for cryptocurrency trading; financial consultation in the field of cryptocurrency; providing financial information in the field of cryptocurrency," in Class 36. April 2, 2021, Final Office action, TSDR pp. 26-27.

Applicant argues that there is no likelihood of confusion because the services of the parties are different, travel in different channels of trade, are marketed to difference consumers and "the services of the parties are narrowly defined and do not encompass the other." *See* January 10, 2022, Applicant's Brief, TSDR pp. 16-18. However, the fact that the services of the parties may differ is not controlling in determining likelihood of confusion. The issue is not likelihood of confusion between particular services, but likelihood of confusion as to the source or sponsorship of those services. *In re Majestic Distilling Co.*, 315 F.3d 1311, 1316, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003); TMEP §1207.01.

Applicant also asserts that its processing and exchange services "provide a merchant payments networks that enables merchants to receive secure U.S. dollar payments via their existing points-of-sale from a consumer who needs or wants to pay with a cryptocurrency or other digital asset" while Registrant's services are for derivatives, not for cryptocurrency or payment transactions. *See* January 10, 2022, Applicant's Brief, TSDR pp. 17-18. However, Registrant's services are broadly identified as "**exchange services in the nature of execution, clearing, reconciling and settlement of trade and financial transactions via a global network involving** credit derivatives, energy derivatives, foreign exchange derivatives, credit default swaps, structured financial products, bonds, commodities, commodity derivatives, futures, options, **securities,** shares, stocks, **and/or related financial instruments."** (emphasis added). Registrant's services are not limited to derivatives. Moreover, Registrant's use of the terms "securities" and "related financial instruments" in its recitation of services would clearly encompass exchange services and financial transactions involving Applicant's "collateralized cryptocurrency payments" and "collateralized cryptocurrency exchange services."

Determining likelihood of confusion is based on the description of the services stated in the application and registration at issue, not on extrinsic evidence of actual use. *See In re Detroit Athletic Co.*, 903 F.3d 1297, 1307, 128 USPQ2d 1047, 1052 (Fed. Cir. 2018)).

Based on the foregoing, Applicant's services of "providing electronic processing of collateralized cryptocurrency payments via a secure global computer network; collateralized cryptocurrency exchange services" are significantly similar to the financial services identified in the cited registration because the services are legally identical in part and the evidence demonstrates that the services are closely related in terms of nature, use, channel of trade and class of purchasers.

V. CONCLUSION

The marks, "FLEXA CAPACITY" in standard characters and "CAPACITY" in standard characters, are similar because the marks are identical in part, convey similar ideas, stimulate similar mental reactions, and have similar overall meanings of the ability to do, make, or accomplish something. *See* April 2, 2021, Final Office action, TSDR p. 2. Additionally, the services of the parties are legally identical in part and the evidence shows that the services are related in terms of their nature, use, channels of trade, and class of consumers. Consequently, Applicant's and Registrant's marks are likely to be confused by potential consumers. Moreover, any doubt regarding a likelihood of confusion determination is resolved in favor of the registrant. TMEP §1207.01(d)(i). For the foregoing reasons, the Examining Attorney respectfully requests that the refusal under Trademark Act Section 2(d), 15 U.S.C. §1052(d), be affirmed.

Respectfully submitted,

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